

From: Morning Energy [morningenergy@politico.com]
Sent: 5/9/2018 2:08:47 PM
To: Feeley, Drew (Robert) [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=abae82aa36da4d3383eae19a8efa683c-Feeley, Rob]
Subject: POLITICO's Morning Energy, presented by Anheuser-Busch: Returning to the battlefield over California car rules — Pruitt screens friendly questions — Art of the RFS deal

By Kelsey Tamborrino | 05/09/2018 10:00 AM EDT

With help from Anthony Adragna

IF AT FIRST YOU DON'T SUCCEED: The looming fight between the Trump administration and the state of California over climate change rules for cars will cover some familiar terrain - where the liberal state and its environmentalist allies have won major legal battles in the past, Pro's Alex Guillén reports. The White House strategy appears to mirror the approach that automakers and dealers unsuccessfully pursued more than a decade ago in an attempt to reverse California's strict limits on vehicles' greenhouse gas emissions.

This again? California - which has a waiver under the Clean Air Act to enact stricter standards - is hoping things play out the same way it did the last time around, when two federal district courts upheld its rules, which other states also can choose to follow. "It's sort of déjà vu because it's going to be basically round two," said Kevin Leske, who was an assistant attorney general in Vermont in 2007 when the state fought off an industry lawsuit seeking to block the greenhouse gas rules for cars.

The details: At issue is the interplay between the long-standing Corporate Average Fuel Economy standards that were established under the 1975 Energy Policy and Conservation Act, and the relatively new emissions standards enforced nationally for the first time under the Obama administration. The Trump administration is expected to nullify the waiver granted to California and then try to circumvent any questions by arguing that EPCA preempts California from enforcing its auto emissions standards - essentially the same argument automakers and dealers deployed in multiple lawsuits over a decade ago.

But keep in mind: That strategy fell short the first time around. A U.S. district court judge in California concluded that greenhouse gas standards are too different from fuel economy regulations to fall under EPCA's "related to" preemption language. However, the cases were never appealed after a larger political deal was reached on the car rules, but advocates of the Trump administration's approach say they hope to take the issue to a higher court this time around. Read [more](#).

GOOD WEDNESDAY MORNING! I'm your host Kelsey Tamborrino. Andrew Fasoli of the American Chemistry Council was the first to correctly guess that former President Ronald Reagan was first to watch a major league baseball game from the dugout, at a Baltimore Orioles game. For today: In what city did the nation's first paved roadway appear? Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter [@kelseytam](#), [@Morning_Energy](#) and [@POLITICOPro](#).

BEGS THE QUESTION: EPA Administrator Scott Pruitt and his staff sought extensive control over questions that could be asked to the administrator when he toured the country speaking to industry groups, POLITICO's Anthony Adragna and Emily Holden report. Even seemingly friendly questions got axed by the agency, like, "How often do you get back to Oklahoma?" That question was crossed off a proposed list of questions without an explanation ahead of Pruitt's appearance in December at an event in Iowa, internal emails made public by the Sierra Club through a public records lawsuit show. (At the time, EPA's inspector general was already investigating Pruitt's frequent trips back home.) The emails offer new insight into EPA staff's desires to limit

access by independent journalists, pre-screen questions from friendly interviewers and coordinate Pruitt's message with lobbyists ahead of gatherings with conservative or industry groups. Read the details [here](#).

WHAT HAPPENED AT THAT BIOFUELS POWWOW: President Donald Trump appears to have brokered a deal in the long-running fight between ethanol producers and oil refiners over federal biofuels mandates. At a White House meeting Tuesday with Pruitt, Agriculture Secretary Sonny Perdue and a few Republican senators. Trump reiterated his pledge to allow 15 percent ethanol fuels year-round and rejected a price cap on biofuel credits, called Renewable Identification Numbers. Those are both big wins for the corn crowd, Pro's Eric Wolff [reports](#). But ethanol producers groused about another proposed aspect of the deal that would lower compliance costs for refiners: allowing ethanol exports to qualify for RINs. Refiners, meanwhile, were wary of a separate proposal for EPA to require large refiners to take on the ethanol-blending requirements for which it issued dozens of waivers to smaller refiners.

IT'S KIND OF INFRASTRUCTURE WEEK: Close to none of Trump's big-ticket [proposals](#) to streamline environmental rules made it into the first major bill infrastructure bill introduced in Congress since his election. America's Water Infrastructure Act of 2018, as the Senate bill is called, is so far the "most significant step lawmakers have taken to help fulfill the president's marquee campaign promise to revitalize the country's transportation arteries," Pro's Annie Snider writes. The bill's authors purposefully set their sights on bipartisanship in light of the fast-approaching midterm elections. "We focus on the 80 percent where we have general agreement, and we're going to get something done," said Sen. [Tom Carper](#) (D-Del.), the top Democrat on the panel and a cosponsor of the measure. Read [more](#).

MORRISEY WINS: West Virginia Attorney General Patrick Morrisey came out on top Tuesday, clinching the Republican nomination to take on Democratic Sen. [Joe Manchin](#) come November. Coal baron Don Blankenship, who was running a controversial campaign against the Republican establishment and Mitch McConnell, ended up in third place in the most-watched race of the night. Blankenship, who was convicted in 2015 of conspiring to skirt mine standards after 29 miners were killed at Massey Energy's Upper Big Branch facility, only [received](#) 19.9 percent of the vote to Morrisey's 34.9 percent, and 29.3 percent for Rep. [Evan Jenkins](#), the other major candidate in the race. Read more on all of Tuesday's primaries [here](#).

NEW DETAILS IN PRUITT SAGA: EPA worked closely with groups such as the Heartland Institute and the CO2 Coalition - both of which dispute the scientific consensus on climate change - when planning Pruitt's proposed "red team, blue team" debate over climate science, The New York Times [reports](#) via new documents released by the NRDC. The emails show that EPA scientists were not involved in the discussion, and that political aides continued to work on the idea even after White House chief of staff John Kelly tried to squelch the plan, according to the Times. In a separate report, the Times got a hold of documents that shed new light on the day security officers, fearing for Pruitt's safety, smashed down his condo door. Read it [here](#).

- **Pruitt's former security chief** Pasquale "Nino" Perrotta told the House Oversight Committee that Pruitt and his staff missed a connecting flight on a trip to Morocco because his security detail's weapons and gear couldn't be transferred between the planes in time, the Associated Press reports, citing anonymous committee aides. The delay forced Pruitt to spend more than 24 hours in Paris, and Perrotta's version of events calls into question the official rationale given by EPA. Read that story [here](#).

**** A message from Anheuser-Busch:** Anheuser-Busch announced that America's leading brewer has placed an order for up to 800 hydrogen-electric powered semi-trucks. The zero-emission trucks will be able to travel between 500 and 1,200 miles. Anheuser-Busch aims to convert its entire long-haul dedicated fleet to renewable powered trucks by 2025. [Learn more](#). **

BARRASSO: 'CLOSELY MONITORING' PRUITT SITUATION: EPW Chairman [John Barrasso](#) told ME he's "closely monitoring" the ongoing ethical woes of Pruitt and continuing with unspecified "oversight" of the

agency. "The job that he's doing - in terms of the job assigned by the president to roll back regulations and overreach by the federal government - he continues to do well," Barrasso said. "We want to make sure taxpayer money is being well spent and appropriately spent." But Barrasso wouldn't specify if he'd sent additional letters to the agency, again deferring to the White House's vague, ongoing review of the situation.

Wait and see: Senior House Republicans overseeing the EPA also appeared to be publicly sticking with Pruitt as well. Rep. John Shimkus, who oversees the EPA on the House Energy and Commerce Committee, told ME he didn't have plans for additional oversight on his subcommittee but deferred to Chairman Greg Walden on whether it was appropriate. Shimkus acknowledged his lack of oversight plans "might disappoint some of my colleagues," including some Republicans who questioned Pruitt's spending at a hearing several weeks ago. A spokesman for the committee didn't respond to requests for comments on its oversight plans.

HEWITT KNEW IT: Conservative radio host Hugh Hewitt responded Tuesday on his radio show to a POLITICO report about a meeting set up by Hewitt between Pruitt and a water utility that sought a Superfund distinction in his hometown - which it ultimately received. "I knew it was going to show up in the FOIA request," Hewitt said of the meeting request. "I just didn't think it was a story." Separately, the liberal media watchdog group Media Matters reported Tuesday, that The Washington Post's Editorial Page Editor Fred Hiatt had not known of ties between EPA and Hewitt's law firm. "Hewitt, who has not written about Pruitt since September, has agreed not to write about him going forward and has assured us that similar incidents won't occur in the future," Hiatt said in an email to the group.

PERRY PULLS UP: Energy Secretary Rick Perry will testify this morning before the House Science Committee on his department's overall budget for fiscal 2019. Members will likely discuss funding for Advanced Research Projects Agency-Energy and Department's Loan Programs, which are terminated under the budget, as well as Perry's recent moves on coal plants. "Termination of these programs will save over \$300 million in FY 2019 alone while significantly reducing financial risk to the taxpayer moving forward," Perry is expected to say. **If you go:** The hearing kicks off at 9 a.m. in 2318 Rayburn. Watch the livestream here.

AT THE SAME TIME: The House Energy and Commerce Committee is slated to hold a markup on five cybersecurity, small-scale LNG bills this morning. Included in the docket: The bipartisan H.R. 5175 (115), the "Pipeline and LNG Facility Cybersecurity Preparedness Act." The slate of bills - which also includes H.R. 4606 (115), H.R. 5174 (115), H.R. 5239 (115), H.R. 5240 (115) - were approved by the subpanel in April. H.R. 4606 - which would allow the expedited approval of small-scale shipments of liquefied natural gas - got a vote of 19-14 over the objections of most Democrats.

CHATTERJEE SEES CHALLENGES: FERC Commissioner Neil Chatterjee called out natural gas pipeline permitting in New York Tuesday, while speaking at the at the Independent Power Producers of New York conference. "The gravest threat we face to resilience and fuel security is in New England and that's not the result of coal and nuke retirements but because of gas constraints due to a lack of adequate infrastructure," Chatterjee told reporters. Read more from Pro New York's Marie French here.

INTERIOR FACES FOIA SUIT: The Wilderness Society will file a lawsuit today to compel Interior to release documents related to the administration's environmental protection plans on public lands. The group says it filed 21 requests under the Freedom of Information Act for documents related to orders issued by Trump and DOI in March 2017 aimed at removing "potential burdens" to energy development on public lands. TWS says it only received responses to two of those requests.

MAIL CALL! The Environmental Protection Network sent this letter to EPA requesting a public hearing and an extension of the 30-day public comment period on the agency's "secret science" proposal to ban the use of studies that don't publicly disclose all their data. "The proposal is far too complex, with effects too broad and indeterminate, and requests comment on far too many issues, for a thirty-day response period," the letter says.

WATCH IT: The American Council for Capital Formation released a new ad on Tuesday calling on the president to uphold the investor-state dispute settlement mechanism in any negotiation of NAFTA. Watch it [here](#).

E2 LAUNCHES CLEAN JOBS CAMPAIGN: Environmental Entrepreneurs launched a nationwide campaign Tuesday, dubbed [Clean Jobs Count](#), "to advance awareness and support of America's fastest-growing energy sector." The campaign includes digital ads in Michigan, Ohio, Illinois and Colorado, and additional ad campaigns are planned throughout the rest of the year in at least half a dozen more states.

MOVER, SHAKER: Exelon [announced](#) Constellation CEO Joseph Nigro was promoted to Exelon senior executive vice president and CFO, succeeding Jack Thayer, who becomes senior executive vice president and chief transformation officer. ComEd President and CEO Anne Pramaggiore was promoted to CEO of Exelon Utilities, succeeding Denis O'Brien. And Joseph Dominguez, the executive vice president of governmental and regulatory affairs and public policy, was promoted to CEO of ComEd Chicago.

- **Power Ledger**, a blockchain-powered renewable energy trading platform, announced Dante Disparte was appointed its strategic adviser and ambassador.

QUICK HITS

- Thousands of Puerto Ricans are still in the dark while U.S. agencies leave, [Bloomberg](#).
- Cassidy charts own course on climate change, [E&E News](#).
- Poll: Majority of voters oppose Trump offshore drilling plan, [The Hill](#).
- Trump's pick for top U.N. migration job gave misleading answers on tweets critical of climate change, [CNN](#).
- EPA's "secret science" rule could undermine agency's "war on lead," [Science](#).
- Due to climate change, hurricanes are raining harder and may be growing stronger faster, [The Washington Post](#).

THAT'S ALL FOR ME!

**** A message from Anheuser-Busch:** Anheuser-Busch announced that America's leading brewer has placed an order for up to 800 hydrogen-electric powered semi-trucks from the pioneer in hydrogen-electric renewable technology, Nikola Motor Company. The zero-emission trucks - which will be able to travel between 500 and 1,200 miles and be refilled within 20 minutes, reducing idle time - are expected to be integrated into Anheuser-Busch's dedicated fleet beginning in 2020.

Through this agreement Anheuser-Busch aims to convert its entire long-haul dedicated fleet to renewable powered trucks by 2025.

"At Anheuser-Busch we're continuously searching for ways to improve sustainability across our entire value chain and drive our industry forward," said Michel Doukeris, CEO of Anheuser-Busch. "The transport industry is one that is ripe for innovative solutions and Nikola is leading the way with hydrogen-electric, zero-emission capabilities. We are very excited by the possibilities our partnership with them can offer."

[Learn more.](#) **

To view online:

<https://www.politico.com/newsletters/morning-energy/2018/05/09/returning-to-the-battlefield-over-california-car-rules-207821>

To change your alert settings, please go to <https://secure.politico.com/settings>

POLITICO

This email was sent to feeley.robert@epa.gov by: POLITICO, LLC 1000 Wilson Blvd. Arlington, VA, 22209, USA

Please click [here](#) and follow the steps to unsubscribe.
